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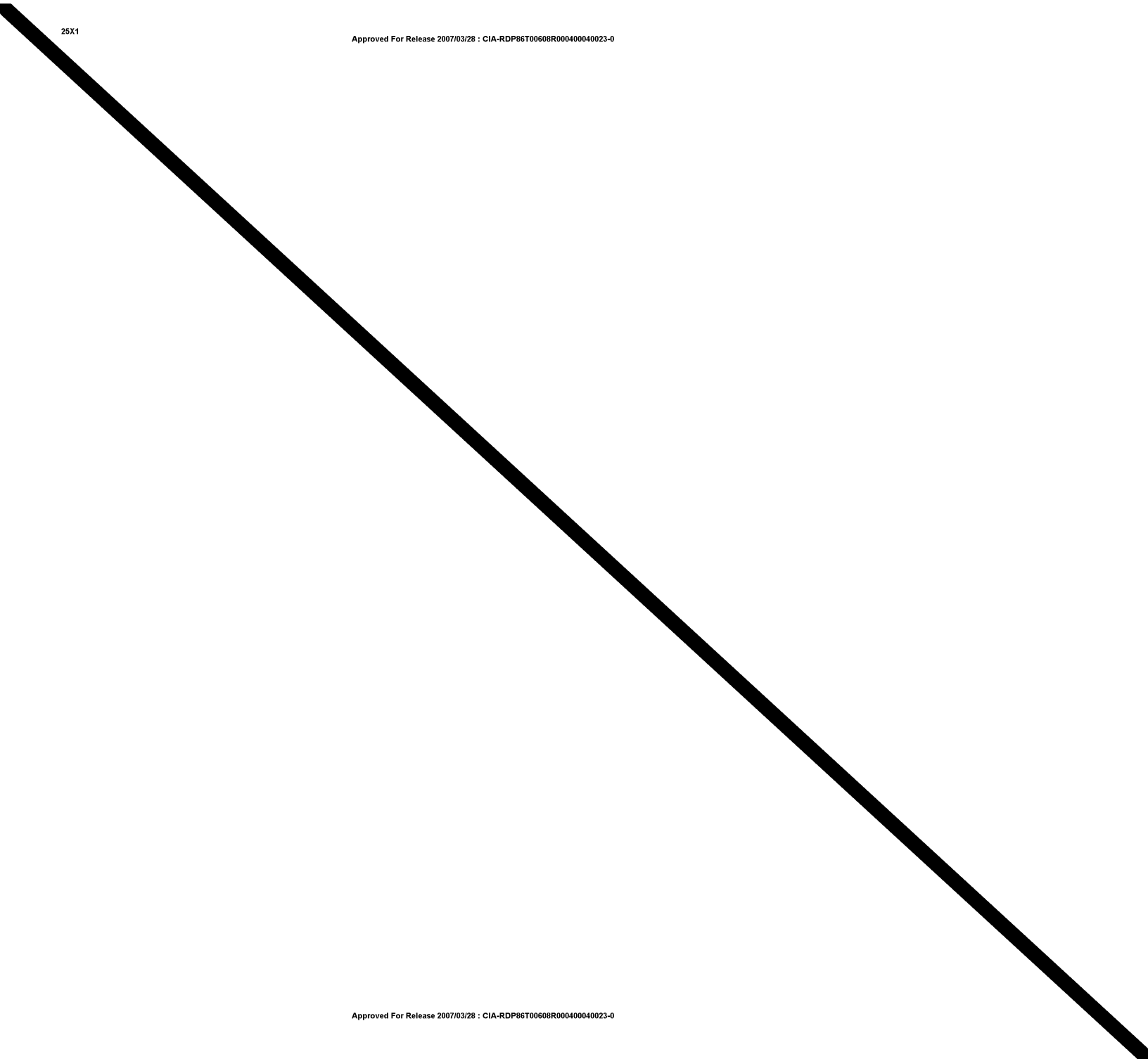

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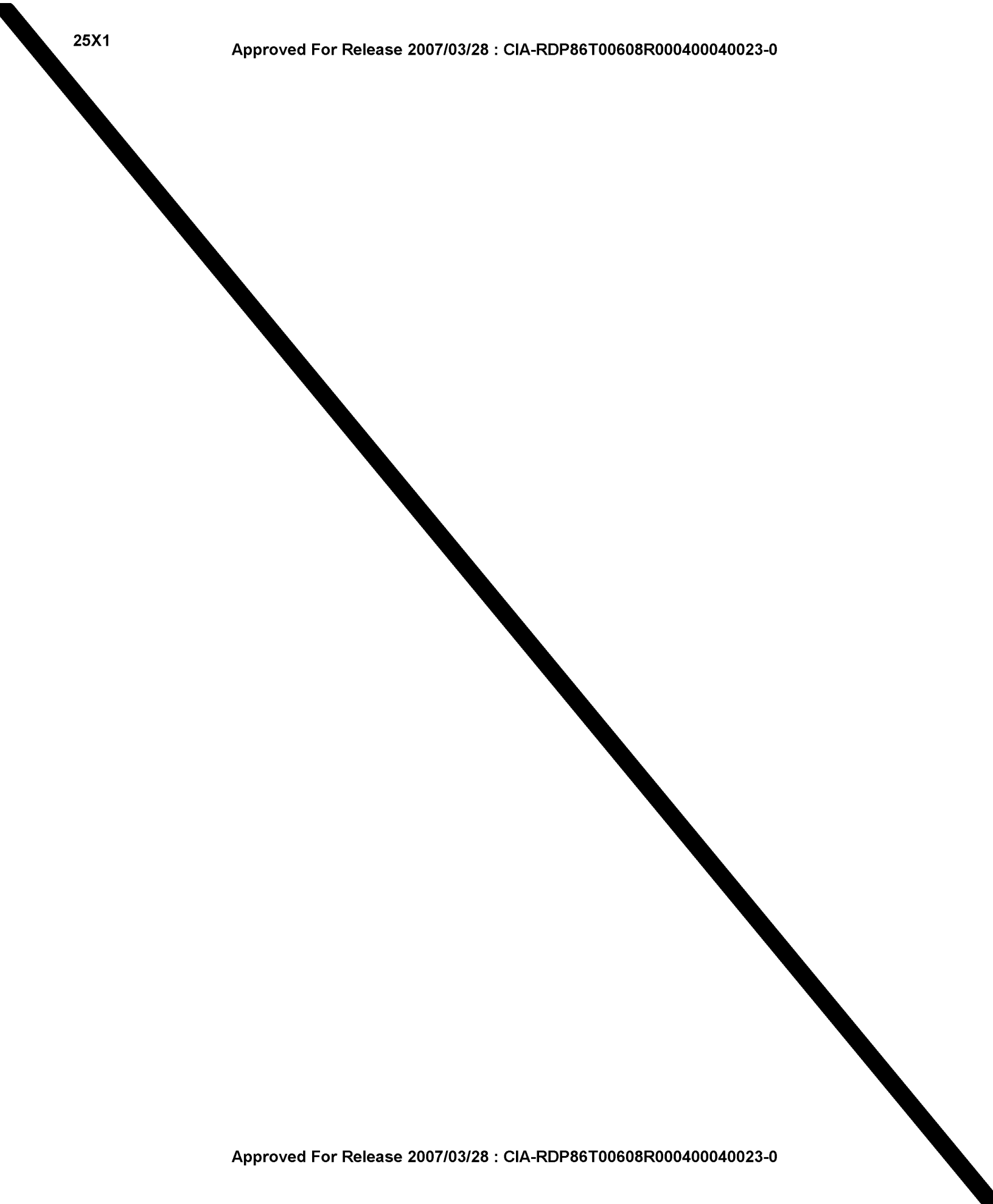

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MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

CONTENTS

25X1

Iran: Controlled Factionalism..... 3

Iraq: Bakr's Revolution Day Address..... 5

North Yemen: Looking Toward Elections..... 7

Rhodesia: Planning Ahead..... 9

Tunisia: Diplomatic Relations with Pyongyang... 10

Sri Lanka: Opposition Leader Wins By-election.. 11

July 23, 1975

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

Iran

Controlled Factionalism

When the Shah created the Iran Resurgence Party in March 1975 as the country's sole legitimate political grouping, he said factions would undoubtedly emerge in the new mass organization. Two wings are, in fact, now forming. Impetus for their development, however, comes from the Shah's own careful orchestration, not from spontaneous political debate. Most Iranians, realizing this, have adopted a cautious attitude while they assess the signals emanating from Saadabad Palace.

Each wing of the party is led by one of the Shah's trusted political lieutenants. Economics Minister Ansari leads the "constructive liberals," whose program is to lower consumer prices and end profiteering. Ansari heads a newly created cabinet-level committee tasked with leading the fight on inflation.

Interior Minister Amuzegar heads the "progressive liberal" faction. Its platform calls for a more equitable distribution of Iran's wealth and contains a declaration that no Iranian should have to pay more than 20 percent of his salary for housing.

The cost of housing and the inflation are a source of much grumbling among Iranians. The government has made little headway against either. Organizing a political faction around these subjects may reduce popular frustrations over the short run, but real progress is unlikely soon. A meaningless barrage of rhetoric could eventually backfire and discredit the party's two wings.

The US embassy in Tehran points out that the development of the factions reflects the rivalry between Ansari and Amuzegar. They are widely talked about as candidates for prime minister

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

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if the Shah drops Prime Minister Hoveyda, now in his eleventh year in that office. The Shah may be testing both men for the position.

The official blessing given to Amuzegar and Ansari as leaders of factions indicates that the Shah is deliberately creating rivals to the popular Hoveyda.

There were reports last spring that the old parties were dissolved, in part, because the Shah was displeased with the power base developed by Hoveyda, then head of the ruling party. Hoveyda, more than any other Iranian--including the Shah--was in direct contact with the people and with provincial politicians through his frequent trips to the countryside.

Although Hoveyda was named leader of the Iran Resurgence Party, his new party post seems to give him less power than his old one. He lost an early fight with Amuzegar over a question of party organization. Amuzegar was also named to the potentially powerful Executive Board of the party, which implements executive decisions, approves the agenda of the party congress, and reviews party nominees for election to office at all levels. Retention of this post will give Amuzegar an advantage over Ansari. [redacted] 25X1

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

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Iraq

Bakr's Revolution Day Address

President Ahmad Hasan Bakr's speech last week commemorating Iraq's revolutions in July 1958 and July 1968 emphasized two departures in Baghdad's foreign policy during the past year: the rapprochement with Iran, and Iraqi efforts to improve relations with Saudi Arabia and the Gulf Arabs.

Bakr paid only a perfunctory tribute to Baghdad's ties with Moscow and other Communist states. On the other hand, the Iraqi leader's caustic remarks on oil and on US policy toward the Middle East conflict show no sign of a shift in Iraq's hard stand against resumption of diplomatic relations with the US.

Bakr's terse description of Iraq's "fruitful contacts" with the Soviet Union and East Europe is in marked contrast with a speech last July in which he stressed the need of Arab revolutionary states to build alliances with the Soviet Union and "other socialist countries." The change of tone may indicate some strain in Iraqi-Soviet relations. The Soviets are deeply concerned over recent developments in Iraq. Moscow fears that Iraq's accord with Iran, the end of the Kurdish war, and Baghdad's increased economic and military dealings with the West are leading to a marked reduction in Soviet influence in Iraq.

Bakr's sniping at the US gives little or no encouragement to observers who see the expanding economic ties between Iraq and the US as a preparation for closer political ties. It was West Europe's escape from "US imperialist pressures," Bakr explained, that has freed the Europeans to develop their ties with Iraq. On oil, the speech portrayed creation of the International Energy Agency as an attempt to break the unity of OPEC and impose a formula on the producers benefitting consumers alone.

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

Bakr exhorted the Arabs to resist efforts made by "imperialism"--read US--to arrange a negotiated settlement in the Middle East. Arguing that the military and economic power equation has shifted in favor of the Arabs, Bakr repeated Iraq's standard call for "liberation of Palestine and all the usurped Arab territories." He pledged Iraq's participation with Syria in a "northern front" on condition that Syria reject any Geneva conference as well as UN resolutions calling for a negotaited settlement. But Bakr's talk of a "northern front" sounded somewhat hollow when he concluded by dwelling on Baghdad's version of its recently intensified and increasingly strident feud with Damascus over allocation of Euphrates River water, as well as on other outstanding bilateral issues.

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North Yemen

Looking Toward Elections

Colonel Ibrahim Hamdi, head of the ruling command council, apparently intends to put off the election of a new legislature until he is sure that a more "responsive" consultative assembly will be chosen.

The elections, which had been scheduled for late summer or early fall, will not take place until late this year or early next year, according to Foreign Minister Abdallah al-Asnag. The assembly now sitting will be recessed this week and will not be reconvened.

Hamdi, meanwhile, has already begun efforts to secure the nomination and election of his own followers and the defeat of tribal opponents. The provincial governor of Taiz has been directed to take charge of the campaign on behalf of pro-Hamdi forces in the southern part of the country; Hamdi will personally direct the campaign on the Red Sea coast. Government security forces throughout the country have been told to work for pro-Hamdi assembly members, in conjunction with the approximately 40 local development boards--a blend of governmental and private interests which Hamdi hopes to transform into a quasi-political grass roots organization.

Hamdi apparently intends to keep out of the legislature Sheikh Abdallah al-Ahmar, the present speaker of the assembly and paramount leader of the largest tribal confederation in the country. Hamdi does not, however, want to move precipitously against al-Ahmar at this time. Thus Hamdi, as window dressing, may name al-Ahmar to an advisory group to help the government prepare for the new elections.

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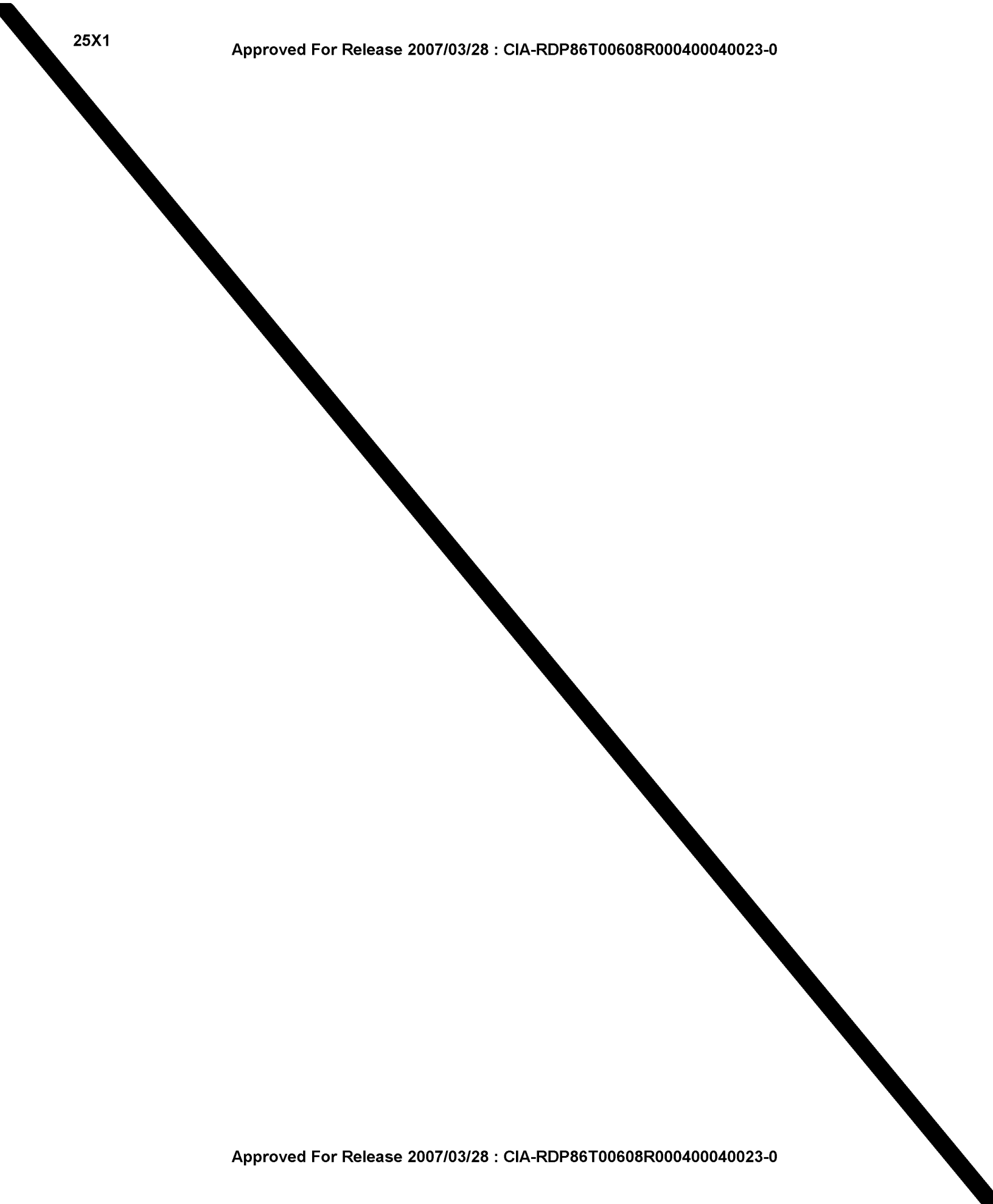

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Rhodesia

Planning Ahead

Prime Minister Ian Smith's government seems to be preparing white Rhodesians for a possible resumption of full-scale insurgency by the black nationalists if meaningful settlement talks between the Smith regime and the African National Council do not get started.

Since Salisbury and the Council agreed to a cease-fire last December, insurgents who have remained in place in north-east Rhodesia have staged occasional attacks. Last week four white Rhodesian soldiers were killed and four wounded in a clash with black insurgents. This was the worst loss suffered by the Rhodesian security forces since late 1972.

Government officials are now saying the security forces will intensify their operations against the black insurgents within the next few weeks. Prime Minister Smith recently stated in Parliament that new anti-guerrilla plans were rapidly being implemented and a cabinet official promised Rhodesia's whites, in an interview on July 12, "positive and aggressive plans" to eliminate the threat of insurgency on Rhodesian soil.

While these statements are clearly aimed at shoring up white morale, the government has made an effort in the last two months to strengthen its security forces. On June 30, all troops serving in the border areas were given a 40 percent pay-hike. The government announced at the same time that women would be recruited for the Rhodesian army and air force so as to release men for service in the field. The cabinet official, in his interview, urged Rhodesians to volunteer for service with the security forces now conducting counter-insurgency operations near the Mozambique and Zambian borders.

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

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Tunisia

Diplomatic Relations with Pyongyang

President Habib Bourguiba last week extended diplomatic recognition to North Korea and indicated his willingness to exchange ambassadors. In an apparent signal to South Korea that this move was made reluctantly, however, Tunisia reportedly will delay the opening of the North Korean mission in Tunis until late this fall. By that time the question of the entry of the two Koreas into the UN will be before the General Assembly.

Tunisia had been stalling on granting North Korea diplomatic recognition. Bourguiba appears to have relented only after witnessing the success of Pyongyang's overtures to other nonaligned countries.

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Approved For Release 2007/03/28 : CIA-RDP86T00608R000400040023-0

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Sri Lanka

Opposition Leader Wins By-election

J. R. Jayewardene, leader of the United National Party (UNP), the main opposition party in Sri Lanka, garnered an impressive 74 percent of the vote in a by-election last Friday to regain his National State Assembly seat. Jayewardene had resigned the seat in May, claiming that the government had been honor bound to hold elections within five years of the May 1970 national elections. The government rejects this contention, insisting that, under a new constitution promulgated in 1972, the five-year limit will not expire until 1977.

Jayewardene was expected to win under any circumstances, but the ruling coalition's decision not to field a candidate assured him an overwhelming victory over several weak independents. Prime Minister Bandaranaike apparently decided that a direct encounter with Jayewardene in what was certain to be a losing cause could only prove embarrassing to her United Front government. She also wished to avoid giving Jayewardene a public forum from which to further inflame popular dissatisfaction over the government's failure to make good its economic pledges.

The election strengthens Jayewardene's position within the UNP, but without a candidate from the ruling coalition it provides little indication of the UNP's relative support among the people. Indeed, despite several UNP by-election victories in recent months, Jayewardene has failed to generate much popular enthusiasm, either for his party or for his campaign to force the government to hold general elections this year. 25X1

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